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CIA-WALTERS (TOPS PREVIOUS)

BY FRANCES LEWINE

WASHINGTON (AP) -- LT. GEN. VERNON WALTERS, A NIXON APPOINTEE TO THE CIA WHO FIGURED IN THE WATERGATE HEARINGS AND DEFENDED THE AGENCY DURING RECENT INVESTIGATIONS INTO ITS ACTIVITIES, IS QUITTING HIS JOB AS DEPUTY DIRECTOR OF THE CIA, IT WAS ANNOUNCED TODAY.

THE WHITE HOUSE ANNOUNCEMENT SAID WALTERS WILL BE SUCCEDED BY A CIVILIAN, ASSOCIATE DEPUTY DIRECTOR E. HENRY KNOCHE. PRESS SECRETARY RON NESSEN SAID KNOCHE WAS CHOSEN BY CIA DIRECTOR GEORGE BUSH, WHO WANTS "TO BUILD HIS OWN TERM."

WALTERS WAS SAID TO BE OUT OF TOWN AND UNAVAILABLE FOR COMMENT.

NESSEN SAID WALTERS SUBMITTED HIS RESIGNATION LAST JANUARY AFTER PRESIDENT FORD NAMED BUSH TO HEAD THE CIA. NESSEN SAID WALTERS DECLARED HIMSELF "OVERDUE TO GET OUT OF THE ARMY" AND RECOGNIZED THAT BUSH WOULD WANT TO PICK HIS OWN CIA TEAM.

BUSH DID NOT ACCEPT WALTERS' RESIGNATION IMMEDIATELY, NESSEN SAID. NOW, HOWEVER, WALTERS' LETTER OF RESIGNATION HAS BEEN FORWARDED TO FORD AND THE PRESIDENT IS RESPONDING TO IT, THE PRESS SECRETARY SAID. NESSEN SAID WALTERS' RETIREMENT DATE FROM THE ARMY HAS BEEN SET FOR JUNE 30.

NESSEN SAID FORD "HAS A VERY HIGH REGARD" FOR WALTERS AND THE WORK HE HAS DONE. WALTERS WAS OFFERED TO SERVE IN ANY ADDITIONAL CAPACITY THE PRESIDENT MIGHT DESIRE, NESSEN SAID. HE ADDED THAT FORD IS CONSIDERING THE OFFER.

ASKED WHY BUSH DID NOT ASK WALTERS TO REMAIN IN THE CIA AFTER HIS RETIREMENT FROM THE ARMY, NESSEN SAID THE NEW DIRECTOR "WANTED TO BUILD HIS OWN TEAM." KNOCHE IS "CLEARLY THE MAN GEORGE BUSH WANTS," THE PRESS SECRETARY SAID. HE SAID BUSH HAD RECOMMENDED KNOCHE'S APPOINTMENT TO THE PRESIDENT.

THE WHITE HOUSE REVEALED WALTERS' RESIGNATION IN A SINGLE SENTENCE INCLUDED IN AN ANNOUNCEMENT THAT FORD PLANNED TO NOMINATE KNOCHE TO HEAD THE CIA'S ...

AT CIA HEADQUARTERS, AN AGENCY SPOKESMAN SAID WALTERS WAS PLANNING TO RETIRE, BUT THAT HE WOULD STAY IN THE JOB UNTIL KNOCKE IS CONFIRMED BY THE SENATE. THE SPOKESMAN ALSO SAID WALTERS IS RETIRING FROM THE ARMY AFTER 35 YEARS OF SERVICE.

BUT THE SPOKESMAN REFUSED COMMENT ON WHETHER WALTERS' DEPARTURE IS CONNECTED WITH INVESTIGATIONS OF THE CIA OVER THE PAST YEAR OR WITH FORD'S REORGANIZATION OF THE NATION'S INTELLIGENCE AGENCIES. "ON TIMING, I DON'T THINK WE WOULD WANT TO COMMENT ON THAT OR GET INTO A DISCUSSION ON THAT," THE SPOKESMAN SAID.

AS RECENTLY AS FEBRUARY, WALTERS DEFENDED THE RECORD OF THE CIA DESPITE WHAT HE CALLED "SOME OF THE ILLEGALITIES OF THE PAST." HE MADE THE STATEMENT IN A SPEECH TO THE SOUTHERN COUNCIL ON INTERNATIONAL AND PUBLIC AFFAIRS IN ATLANTA.

DESPITE "SOME NUTS, SOME OVERZEALOUS PEOPLE OR SOME PEOPLE WHO EXERCISED BAD JUDGMENT," WALTERS SAID, " . . . THE CIA COMES OFF LOOKING PRETTY GOOD."

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